

Full Buildout
2036

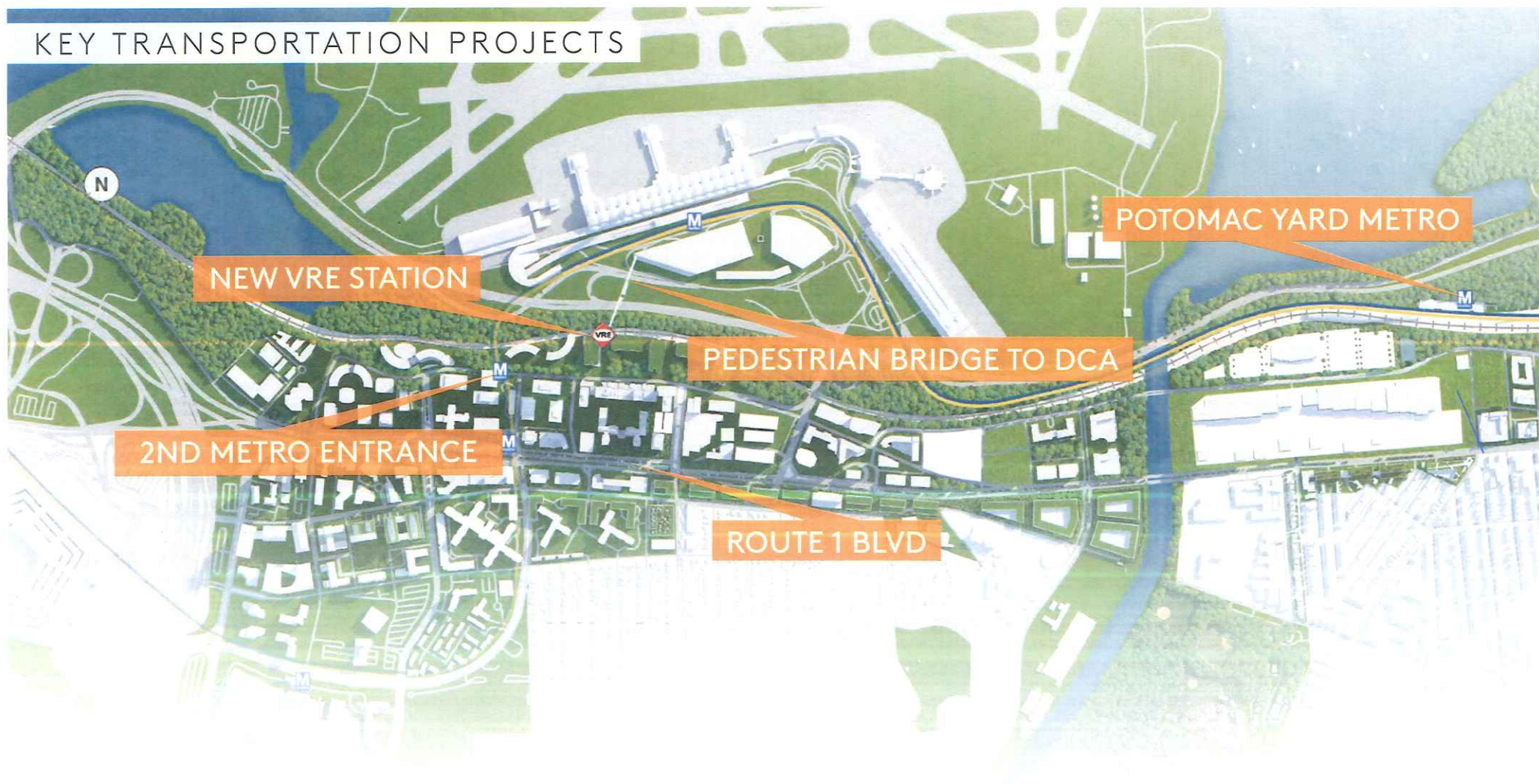
Crystal City

Old Town



Infrastructure Projects

KEY TRANSPORTATION PROJECTS



NATIONAL LANDING | CRYSTAL DRIVE METRO ACCESS



NATIONAL LANDING | VRE TRANSIT HUB



NATIONAL LANDING | **CONNECTOR BRIDGE TO DCA**

WALK TO
DESTINATIONS
WORLDWIDE



NATIONAL LANDING | ROUTE 1 BOULEVARD

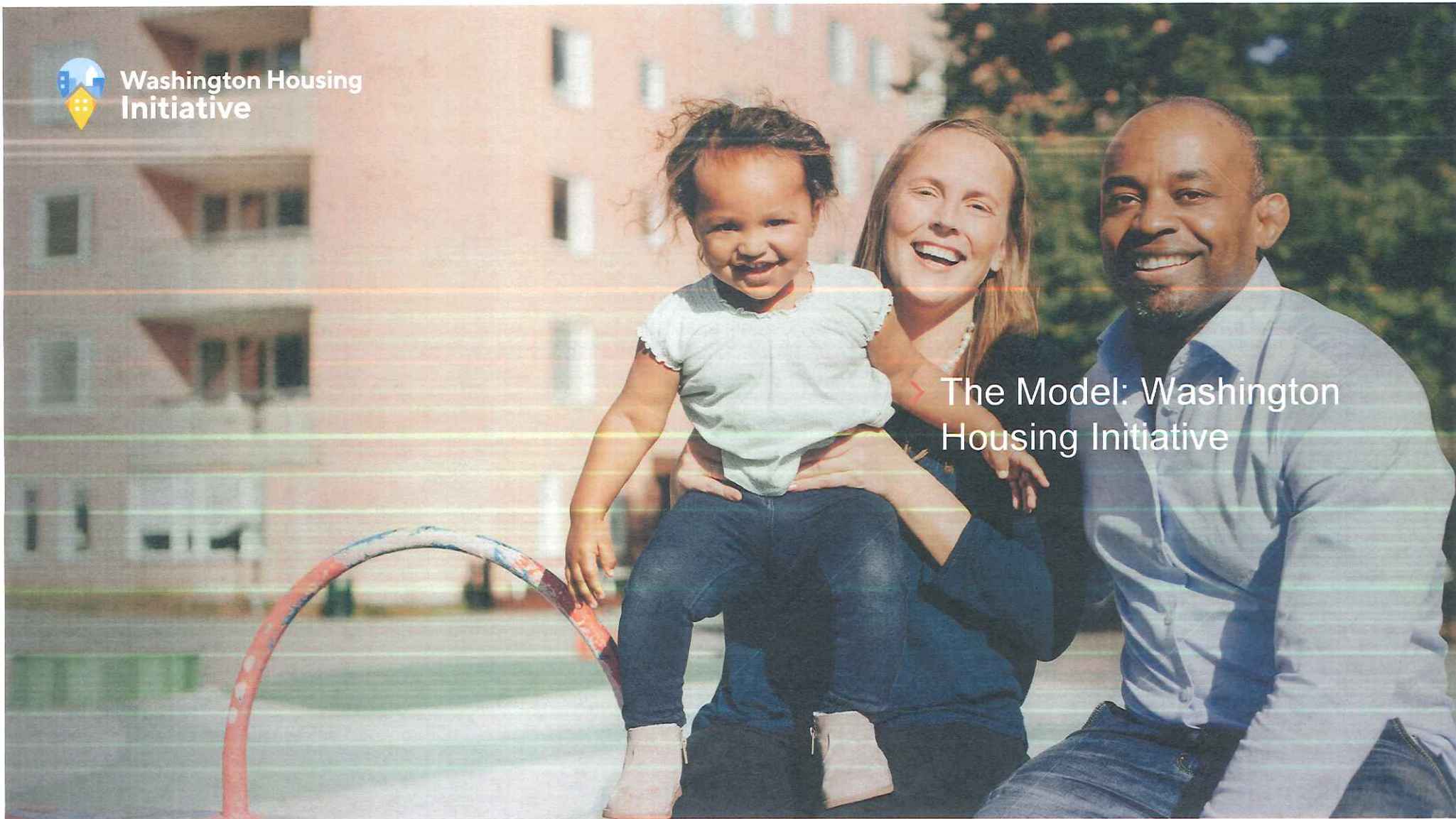


Washington Housing Initiative



Washington Housing
Initiative

> The Model: Washington
Housing Initiative



> Sponsorship: JBG SMITH and Federal City Council

*The Washington Housing Initiative is led by **JBG SMITH** and **Federal City Council** and combines their capabilities and experience to drive impact at scale with speed, certainty, and efficiency.*



JBG SMITH is an S&P 400 company that owns, operates, invests in and develops a dynamic portfolio of high-quality mixed-use properties in and around Washington, DC. Through an intense focus on placemaking, JBG SMITH cultivates vibrant, amenity-rich, walkable neighborhoods throughout the capital region.



Established in 1954, the **Federal City Council** is a non-profit, non-partisan organization dedicated to the improvement of the District of Columbia. Comprised of the area's top business, professional, education and civic leaders, the Council works with the District and Federal governments to develop and implement solutions to community problems.

> An Innovative Approach: The Washington Housing Initiative

*The Washington Housing Initiative is a transformational, market-driven approach to preserve and create affordable workforce housing in rapidly changing communities through its two primary vehicles: the **Impact Pool** and the **Washington Housing Conservancy***



Washington Housing Conservancy

- Owns and operates affordable workforce housing
- Builds connected communities
- Self-sustaining independent non-profit corporation
- \$13 million in donations to date



Impact Pool

- Investment vehicle that provides loans to preserve affordable workforce housing
- Investor returns capped at 7%¹
- Managed at cost by JBG SMITH²
- Targeting \$150 million fund size



¹ Investor returns capped at 7% IRR. Returns above the 7% cap are donated to the Washington Housing Conservancy.

² Impact Pool managed by JBG SMITH Impact Manager, an affiliate of JBG SMITH



> Key Principles: Washington Housing Initiative

- Focus on High-Impact Locations
- Commit to long-term affordability
- Invest at scale, with speed, certainty, and flexibility
- Sustain and strengthen inclusive communities
- Build a replicable model

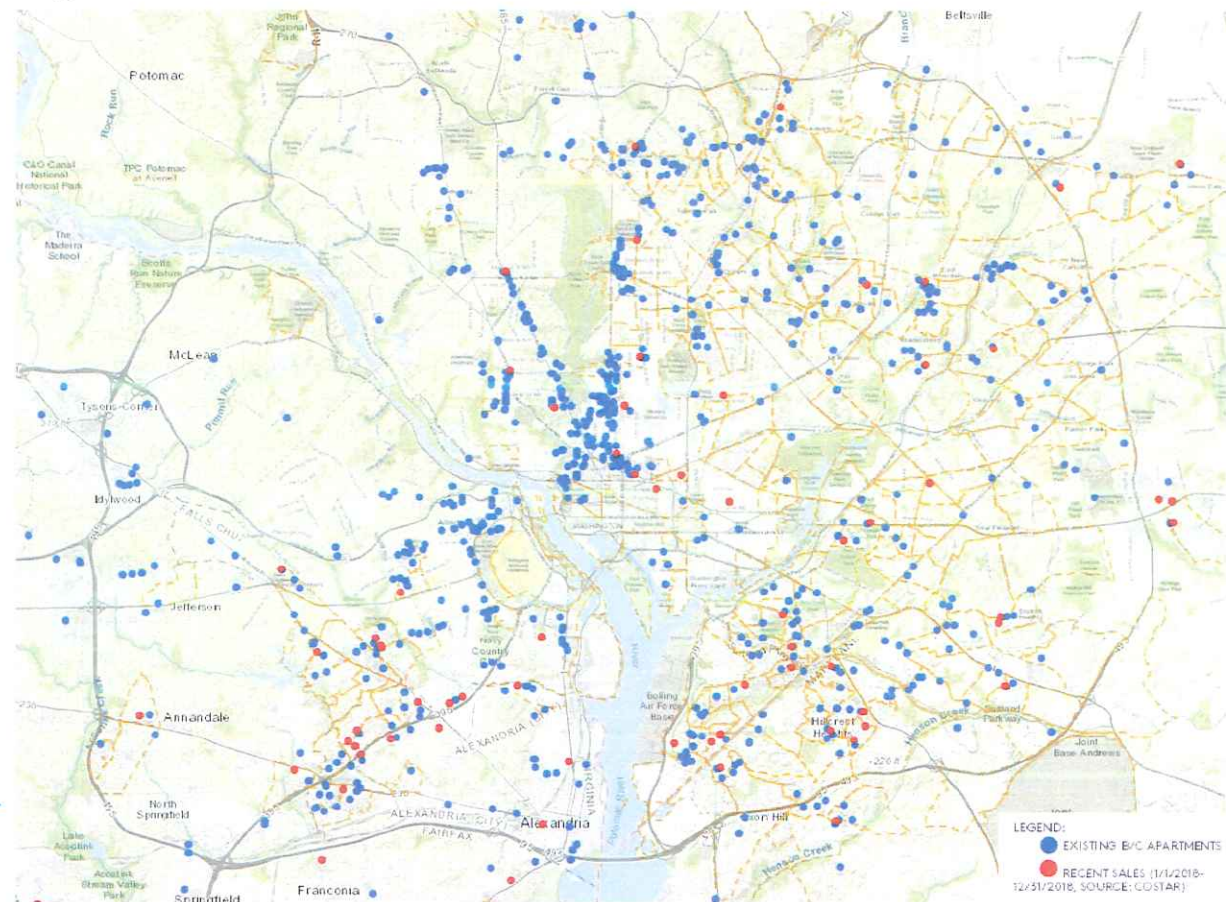
Goals

- Preserve 3,000 units of naturally occurring affordable housing
- Prevent displacement & address resident needs
- Provide new, private capital for workforce housing

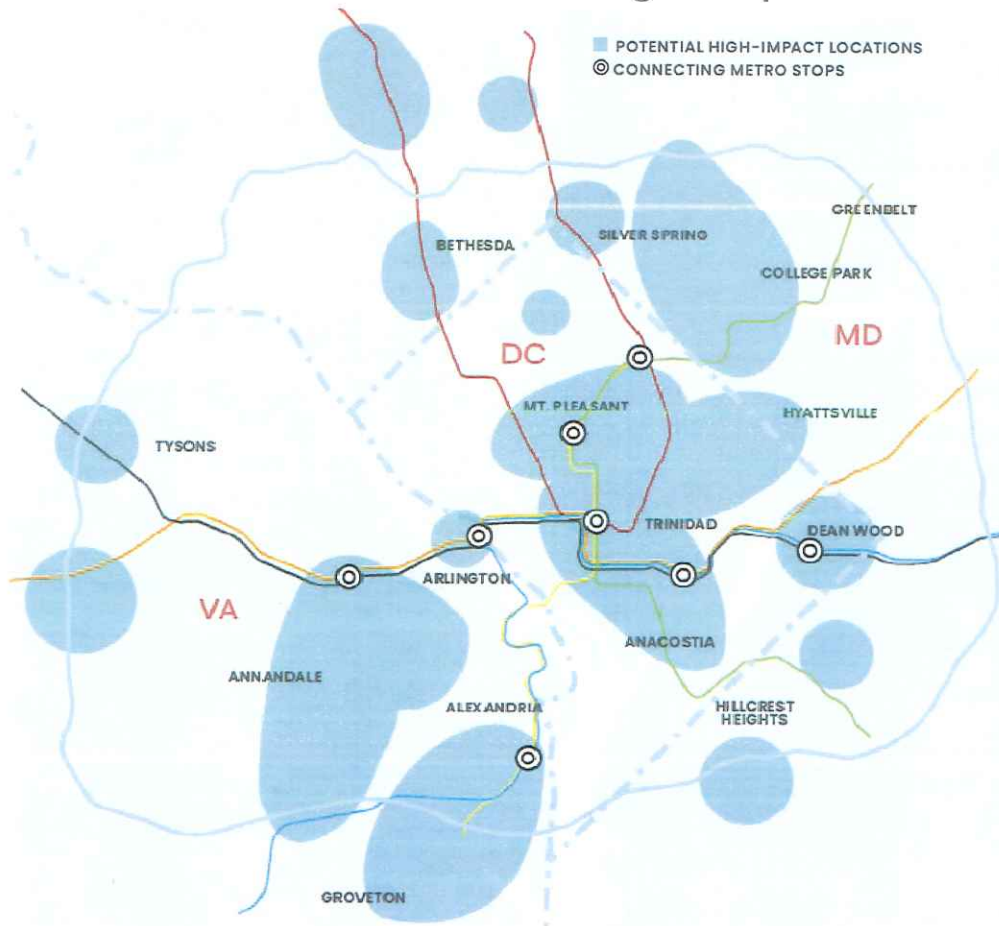


> “Preservation of both subsidized and unsubsidized affordable housing is critical to meeting future housing needs.” – Urban Institute

- 345,000 naturally occurring affordable housing units across the Washington, DC region
- Plethora of opportunity allows for speed and certainty of impact
- Preservation is faster and less expensive than new construction



> Focus Investments in High-Impact Locations



- **High-Impact Locations** are places that are relatively affordable today, but growing rapidly
 - Above-average population growth
 - Proximity to jobs & transportation
 - Large rental housing stock
 - Predominately middle-class
 - Private investment will drive change:
 - More retail and family amenities
 - Less affordability
- **Location drives impact**
 - Moving to a high-opportunity neighborhood before age 13 improves a child's outcome:
 - 27% more likely to go to college
 - 30% higher earnings over lifetime

> Typical Deal Structure

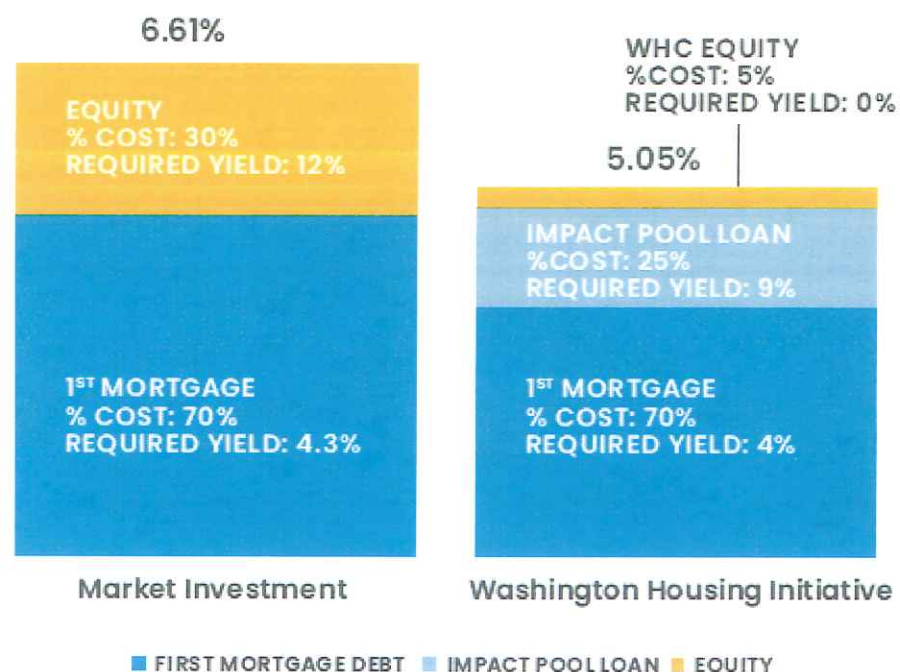
Projects funded with Impact Pool capital commit to:

- Accept 15-year affordability covenants
 - At least 51% of the units reserved for families earning 80% of AMI or less
- Support critical neighborhood resident services
- Re-invest a portion of the profits in affordability and impact
- Measure and track social and environmental outcomes

Impact Pool investment repaid through refinancing – not sale – to preserve long-term affordability

Lower cost of capital than traditional market financing

24% lower weighted average cost of financing



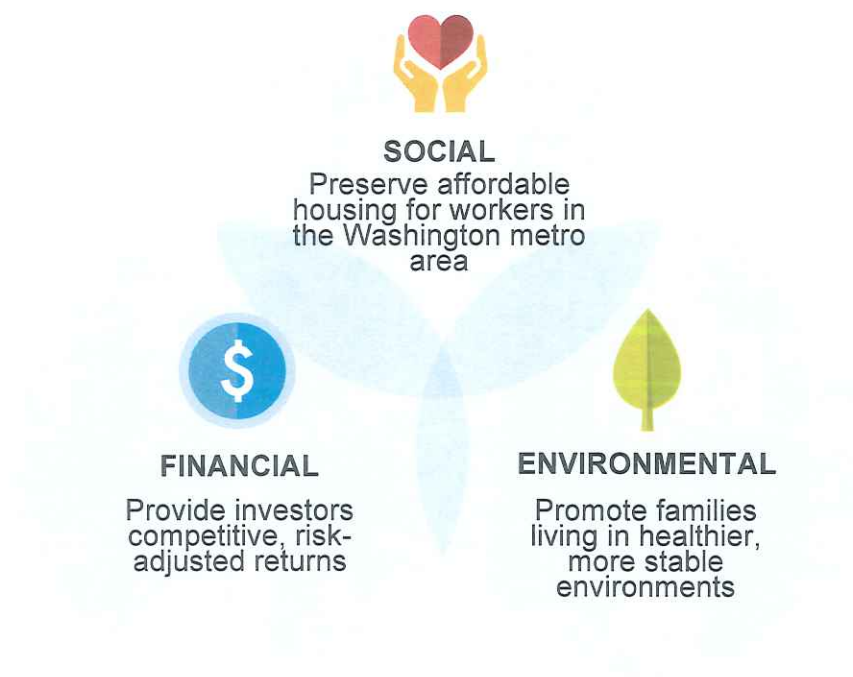
> Private Sector Investments

- \$80 million in investor commitments in the Impact Pool
- Targeted second & third close in 3Q19 and 4Q19
- Final close targeted for 1Q20
- Inaugural investors include major banks and real estate companies



> The Benefits Of Our Triple-Bottom-Line Framework

- Investments and donations are highly leveraged:
 - Impact Pool – 5:1
 - Washington Housing Conservancy – 9:1





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